

CALIFORNIA PUBLIC UTILITIES COMMISSION

Water Division

STANDARD PRACTICE
FOR PROCESSING WATER AND SEWER SYSTEM
ADVICE LETTER FILINGS
AND RESOLUTIONS AND MAINTAINING TARIFFS
UNDER GENERAL ORDER NO. 96-B

Standard Practice U-8-W

San Francisco, California

Revised January 2001

STANDARD PRACTICE FOR PROCESSING ADVICE LETTER FILINGS

AND RESOLUTIONS AND MAINTAINING TARIFFS

UNDER GENERAL ORDER NO. 96-B

A - INTRODUCTION

1. The purpose of this standard practice is to provide utilities with directions for filing and Division personnel with a detailed description of the steps required to process advice letters and create and process resolutions. An advice letter is a document prepared by the utility that requests action of the Commission. Most commonly an advice letter is used to make changes to the utility's tariffs. A resolution is an order of the Commission that is not the result of a formal filing. This standard practice includes information explaining how to:

- a. log in submitted advice letters
- b. review the submissions for compliance
- c. file the advice letter
- d. evaluate the advice letter
- e. accept, suspend or reject the advice letter
- f. prepare a resolution
- g. process the resolution
- h. file and maintain tariffs

2. This standard practice applies to all water and sewer system utilities, and Water Division support staff, engineers or analysts who are assigned to process advice letters or write resolutions. In addition to these instructions, the utility, and the employees processing the advice letter, must be familiar with and follow the requirements of the current version of General Order 96 and other standard practices that apply to the particular type of advice letter being prepared or reviewed.

B – PROPOSALS

3. A proposal is a request from the utility to review an advice letter before the utility submits it for filing. In form, a proposal is identical to a regular advice letter except:

- a. no advice letter number is assigned,
- b. only two copies are required,
- c. the term “advice letter” is replaced with “proposed advice letter” in the text of the advice letter and on the Cover Sheet,
- d. no notice is given, and
- e. the proposed advice letter is not served on the service list.

Class B, C and D utility informal general rate cases and loan approval requests are usually submitted initially as proposals.

4. The Tariff Unit of the Water Division logs all proposals in the proposal docket book and into the Proposal/Advice Letter (PAL) database in Oracle. Proposals are processed identically to advice letters (see below) except proposals are disposed of by a letter from the project manager suggesting changes to the request. This letter doesn’t obligate the Commission or staff as to whether the resulting advice letter itself will be approved or rejected.

C – ADVICE LETTERS

5. The utility submits six copies of the advice letter and two copies of workpapers, if any, to the Water Division in San Francisco, which forwards them to the Tariff Unit. Class A water and sewer service utilities shall

- a. provide two colored folders, one blue and one yellow, with the filing with a label in white that looks like the following:

Company Name	AL #
Type of filing	

- b. The two folders should be fully assembled with advice letters and workpapers as follows:

Holding the folder like a book, with the larger side away from the preparer, on the outside front attach a Proposal/Advice Letter Summary sheet (Appendix A). On the inside left side of the folder, attach a complete copy of the decision or resolution that authorizes the filing, including tables, and the stipulation if any, with the applicable ordering

paragraph highlighted and marked with a paper clip. On the right side of the folder attach a copy of the advice letter followed by the workpapers in the following order:

- (1) a table of contents of the workpapers listing all the sheet by title and sheet number,
- (2) the weather normalized means test (if required) summary of earnings table followed by the income tax calculation and workpapers (see Standard Practice U-20-W)
- (3) the advice letter workpapers. The first sheet of all workpapers must be a description of calculation describing in narrative form how the tariff calculations in the workpapers were done. Tabs should divide the workpapers where appropriate. Each workpaper sheet will be numbered consecutively.

- c. provide a large properly-stamped self-addressed envelope for one copy of the advice letter. It will be sent back to the utility stamped with the date filed.

Utilities may also submit electronically by sending the submittal to water_division@cpuc.ca.gov.

6. The tariff clerk stamps the date and time of receipt of each submittal and reviews the package for:

- a. Conformance with GO 96, including format and cover sheet.
- b. Proper tariff sheet numbering. Even if the utility has chosen to allow staff to number the new tariff sheets, any sheet being replaced must be properly numbered.
- c. Adequate notice. The advice letter will not be accepted for filing until noticed. In addition to notice to the service list, certain advice letters (rate increases and service area extensions, for example) require extra notice.

7. If the utility has chosen to allow staff to number the new tariff sheets, the tariff clerk checks to see if there are other active advice letters from the same company. If there are, the sheets will not be numbered until the order of

approval of all advice letters are known. If there are no other active filings, the tariff clerk fills in the proper numbers by numbering the first non-table of contents tariff sheet with the next available number (one count higher than the existing first table of contents tariff sheet number), the next non-table of contents tariff sheet with the next number and so on. The table of contents tariff sheets are numbered last, with the first table of contents sheet receiving the highest number. The body of the table of contents sheets will have to be modified as well.

8. If the advice letter is not acceptable for filing, the tariff clerk informs the Branch Chief and requests changes/additions from the utility. When accepted for filing, the tariff clerk does the following:

- a. Enters a record of the filing in the advice letter docket book.
- b. Enters the necessary information in the Proposal/Advice Letter (PAL) system on Oracle.
- c. Posts a notice in the daily calendar that the advice letter has been filed.
- d. Returns a copy to the utility stamped with the date filed.

9. The tariff clerk prepares the advice letter for review by doing the following:

- a. For non Class A utilities, creates a blue folder as described above, with an Advice Letter Review Routing Sheet (Appendix A), containing the work copy of the advice letter together with supporting documents and workpapers, if any.
- b. For non Class A utilities, creates a yellow folder containing the original and three (or more) copies of the advice letter and one copy of the workpapers.
- c. Labels the folders with the name of the utility, the advice letter number and a brief description of the filing.
- d. Fills out the upper part of the Routing Sheet, putting down the review comments as directed on the form (including comments related to corrections needed to the tariffs) and the suspense date information, and attaches the sheet to the cover of the blue folder.
- e. Routes the blue folder to the Branch Chief, who assigns the filing to an analyst. The Blue folder goes back to the tariff clerk who notes the analyst's name in the proposal or advice letter docket list and PAL and sends the folder to the analyst.

- f. Files the yellow folder in the “pending” file of active advice letters alphabetically by company.
10. Every advice letter must be reviewed by an analyst. Such review encompasses consideration of conformance of the request with the resolution or decision authorizing the advice letter and any similar resolutions or decisions; the correctness of filed rates or other quantities, compliance with the appropriate division standard practice, including weather normalized or other means test, workpapers and attachments; conformance with Commission policy and procedures; and consideration of protests or responses from the public. For advice letters for which the utility has requested ministerial review (review and approval by staff because the Commission has already made clear what the standards of review should be), the analyst recommends disposition as follows:
 - a. If the advice letter is to be approved, check the “No Resolution Required” box on the Cover Sheet, annotate the Route Sheet and include an analysis if appropriate.
 - b. If the request is not justified in the showing in the advice letter or if the advice letter is protested and staff cannot resolve the protest, and the advice letter should be rejected with prejudice, check the “No Resolution Required” box on the Cover Sheet, annotate the Route Sheet and include a rejection letter for the Branch Chief’s signature that advises the utility to file a formal application.
 - c. If the advice letter is to be rejected without prejudice because there is an active formal proceeding addressing the issue check the “No Resolution Required” box on the Cover Sheet, annotate the Route Sheet and prepare a cover letter to the utility describing the situation.
 - d. If the advice letter is to be approved in part, approved with modifications, or if the advice letter otherwise requires a resolution, for example to address a protest, check the “Resolution Required” box on the Cover Sheet, annotate the Route Sheet and attach a draft resolution approving, approving in part or conditionally, approving with modifications or rejecting the advice letter. Draft a cover letter for the project manager’s signature informing the utility that the advice letter has been reclassified as discretionary and that a copy of the draft resolution is attached, and inform the Tariff Unit. The Tariff Unit posts this information along

with the new expected completion date to the Commission calendar.

11. The analyst is responsible for the disposition of all ministerial advice letters. This will usually occur after the 20 day protest period and before the 30 day deadline. If the utility requests and staff agrees, the advice letter can be approved in less than 20 days subject to refund.

12. If additional time is required to properly review a ministerial advice letter because additional information is required, the analyst sends a written data request to the utility, or a verbal data request with written or e-mail memo to file, prior to the 30 day deadline, suspending processing and establishing a new deadline up to 120 after the original deadline, and sends a copy of the request or memo to the utility, and to the Tariff Unit, which notices the delay on the Commission's internet site.

13. Disposition of discretionary advice letters requires a resolution. This should occur within 150 days of filing, but if disposition will take longer, the analyst must draft a letter for the project manager's signature, delaying disposition for up to an additional 180 days, and send a copy to the utility, and to the Tariff Unit, which will notice the delay on the Commission's internet site. Informal General Rate Case advice letters are processed in accordance with the Service Guarantee Plan (U-9-SM).

D – RESOLUTIONS

14. Resolutions are required for discretionary advice letters or for advice letters that were submitted as ministerial, but which require a Commission disposition based on interpretation of policy.

15. The analyst drafts the resolution using the resolution Style in Word. The contents of the resolution depend on the situation and what the advice letter is requesting, but there are certain elements that all advice letters must contain:

- a. The resolution must stand on its own. It must be the analyst's original work and be written for someone unfamiliar with utility regulation. If it references other documents, including the advice letter, it must describe what those documents contain or order. It should avoid using

regulatory jargon and provide definitions or descriptions where necessary.

- b. The resolution must be complete. It must discuss every item the utility asked for and the reasoning behind approving or disapproving each request.
- c. The resolution must be correct. All calculations must be properly done and arithmetically correct. Number in the text must be the same as the number in the tables.
- d. The sections of most resolutions are:
 - 1. Summary—a one or two paragraph description of what the resolution does.
 - 2. Background—the events that occurred in the past that led to the filing of the advice letter and a description of what the advice letter is requesting.
 - 3. Discussion—A logical and complete evaluation of the merits of each request and whether and why each should be approved or rejected. If a request is to be approved, describe what the utility needs to do and what the consequences are.
 - 4. Notice—A description of how the advice letter was noticed and whether any protests were received. If protested, explain the content and resolution of each protest.
 - 5. Findings—Facts that pertain to the situation
 - 6. Conclusions—Result of the discussion for each item.
 - 7. Ordering Paragraphs—Actions that the utility is allowed to or is ordered to take, along with timeframes and deadlines. The final ordering paragraph is the effective date of the resolution. Normally a resolution is effective 30 days from being voted on. If it is to be made effective earlier, justify the earlier date in the Discussion and Conclusions.

16. The analyst forwards the draft resolution to the Senior Engineer or other designated project manager. The project manager reviews the resolution for correctness and checks that all calculations are properly done, then forwards it to the Tariff Unit. The Tariff Unit reviews and finalizes the resolution for grammar, format and style, and sends it, with the blue and green cover sheets (Appendices B and C) to the Branch Chief, the Division Director and the Water Commissioner's office for review. After review is complete and any changes made, the Tariff Unit makes the requisite number of copies of the proposed resolution and sends them to the Process Office.

17. Any subsequent changes to the proposed resolution (“starred” resolutions) are finalized by the Tariff Unit and undergo review according to the blue cover sheet. The Tariff Unit makes the requisite number of copies of starred revisions for the Process Office. If the changes are major, the analyst prepares a cover letter (Appendix D) for the Division Director’s signature.

18. Not later than 21 days prior to the Commission meeting, the Tariff Unit sends an electronic copy of the draft resolution that will be mailed with the agenda to the secretary and the Chief of the Advisory Branch. The secretary saves a copy of each resolution to the WEBPUB database by importing the document using PowerDOCS. The Chief or other designated approver reviews the resolution by logging into the WEBPUB database and viewing the document to make sure it matches the printed resolution. If it matches, the approver changes the status on the document profile to “approved” and the resolution is automatically published to the Commission web site. If disapproved, after corrections are made, the resolution is published to the site.

19. The resolution should be served on the service list of the advice letter and, if the resolution modifies actions taken by another resolution or decision, the service list of that proceeding or resolution.

E - ADVICE LETTER DISPOSITION

20. If the advice letter is approved, the Tariff Unit does the following:

- a. Prepares a transmittal letter (Appendix E or F) and sends it to the utility, along with a complete copy of the advice letter with all tariff sheets stamped with the filed date, effective date and resolution number, and the resolution (if any).
- b. Stamps all tariff sheets with the date filed and date effective, places the tariff sheets in the tariff book and enters the AL status in PAL. Unless they are original sheets, the sheets that are superseded are removed and stamped “Sheet Cancelled – superseded by Revised Cal. P.U.C. Sheet No._____.” These cancelled sheets are retained in the Cancelled Tariffs file for as long as the utility is certificated.
- c. Puts the original copy of the advice letter in the company’s advice letter file.
- d. Sends a copy of the advice letter and stamped tariff sheets to the Los Angeles office of the Commission.

- e. Sends a copy the advice letter and stamped tariff sheets to the Consumer Affairs Branch (CAB) in San Francisco.
- f. Puts a copy of the resolution (if any) in the resolution binders.
- g. Puts a copy of the resolution (if any) in the utility's resolutions file (see section G below).
- h. Sends an electronic copy of the final version of the resolution (if any) to the advisory branch for publishing as described in 16 above.
- i. Retrieves the work file folder from the analyst (if necessary) and puts it in the work file filing cabinet alphabetically by company. Work files are kept until the next general rate case.

G – WITHDRAWAL, REJECTION, AND SUSPENSION OF ADVICE LETTERS

21. If the utility desires to withdraw a filed advice letter, it must inform the Water Division by letter or e-mail prior to the effective date.

22. The legal effect of withdrawal, rejection or suspension is to leave the existing tariff schedules in effect. If the advice letter is withdrawn or rejected, the Tariff Unit stamps the face of the advice letter and each tariff sheet “Withdrawn” and the date, or “Rejected” and the date, enters the status in PAL and returns a copy of the advice letter to the utility with a letter explaining the reasons for the action.

23. The Tariff Unit retains the original copy of the withdrawn or rejected tariff sheets in the file of cancelled tariffs and sends copies to CAB and Los Angeles. The advice letter number and tariff sheet numbers are not reused. Any revised tariff sheets, submitted by a subsequent advice letter in lieu of the withdrawn, rejected or suspended sheet, should show the cancellation of the then-effective tariff sheet, not the sheet number of the rejected or withdrawn sheet, since the latter never became effective and therefor cannot be cancelled.

G – TARIFF CANCELLATIONS BECAUSE OF WITHDRAWALS OF SERVICE

24. When a utility desires to cancel a schedule for a service which it is either able to render on another schedule, or it desires to discontinue offering, including discontinue offering in part of its service territory, it may request approval by discretionary advice letter. If the Commission approves the

resolution, the Tariff Unit stamps the affected tariff sheets “Sheet Cancelled (Not Superseded) by Advice No. _____, Authority _____.” This procedure is used where no substantial withdrawals of service are involved, otherwise a formal application is required.

H - RECORDS MAINTAINED BY THE TARIFF CLERK

25. The tariff clerk is responsible for the following: Tariff book files, Proposal Docket List, Advice Letter Docket List, Contract Files, Resolution Files, Work Files, the Cancelled Tariffs File and Exemptions of General Order 96 File.

- a. The tariff book file contains the original copies of the title page, table of contents, preliminary statement, effective schedules of rates, list of contracts and deviations, tariff rules, and forms.
- b. The Proposal Docket list is a list of all proposals received from the utilities in reverse chronological order. It contains the following information:
 - (1) Name of Utility
 - (2) Assigned Proposal No.
 - (3) Subject Matter
 - (4) Date Received
 - (5) Date Advised Company to Either Proceed with Filing of Advice Letter or Take Other Action
 - (6) Advice Letter No.
 - (7) Revenue Impact in dollars
- c. The Advice Letter Docket List is a list of all advice letters received from the utilities in reverse chronological order and contains the following information.
 - (1) Name of Utility
 - (2) Advice Letter Number
 - (3) Subject
 - (4) Date Received
 - (5) Date Filed
 - (6) Authority for filing (Decision or Resolution number and effective date)
 - (7) Sheet numbers of tariff sheets

- (8) Revenue Impact in dollars
 - (9) Analyst assigned to the filing
-
- d. The Contract File is a file of the contracts relating to all services at other than tariffed rates provided after January 1, 1943 (the date General Order No. 96 became effective), when such information is filed by the utilities.
 - e. The Tariff Unit maintains two files of the conformed copy of the resolution. One copy is filed in a binder containing one calendar year of resolutions in order of resolution number, and the second copy is filed alphabetically by company in reverse resolution number order. Conformed copies of resolutions show the vote of the Commission, date of the vote, and certification of Executive Director.
 - f. The Cancelled Tariff file contains, by company, all cancelled or superseded tariffs in reverse numerical order.
 - g. The Work File contains the analyst work folder for each advice letter submitted by the utility since its last approved general rate case. These folders are filed by utility in reverse advice letter number order. When a new general rate case work folder is filed, all previous work files are discarded.
 - h. The exemption file contains a copy of all pertinent correspondence relating to a utility's request for authority to be relieved from certain requirements of the General Order No. 96 industry rules or the Division's standard practices, filed by utility name, and the Division Director's commitment in response to the request.

ADVICE LETTER REVIEW ROUTE SHEET

*****REVIEW AND ROUTE AS INDICATED*****

NAME OF UTILITY _____	DATE FILED _____
FILING No. _____	20th DAY _____
PURPOSE _____	30th DAY _____
_____	Resolution required? [<input type="checkbox"/>] Yes [<input type="checkbox"/>] No
EFFECTIVE DATE _____	Resolution due date: _____
IN COMPLIANCE WITH: _____	CPUC Meeting date: _____
AMOUNT REQUESTED: _____	APPROVED: _____

I. TARIFF UNIT REVIEW AND COMMENTS:	

II. WTS INFORMATION: Charge To: _____ Staff Hours Estimated: _____	
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[illegible]

IV. Final Recommendation: <input type="checkbox"/> Approve <input type="checkbox"/> Approve Conditionally <input type="checkbox"/> Reject	
COMMENTS: _____ _____ _____	
SIGNATURE: _____	DATE: _____

PLEASE RETURN TO JOSIE BABARAN FOR FINAL PROCESSING

W-2
9/7/2000

State of California

Public Utilities Commission
San Francisco

MEMORANDUM

Date: September 5, 2000

To: The Commission
(Agenda Distribution List)

From: Director Evans

File No: W-4223, Donner Lake Water Company Loan Approval

Subject: Agenda item W-2 for September 7, 2000 Meeting

As a result of the City of Truckee Council meeting on August 31, 2000, I have revised the resolution to deny the utility's request for loan approval at this time. This resolution does approve a \$100,000 planning loan that will have no present rate impact, and orders the utility to pursue approval of the filtration project easement appeal.

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 5, 2000

File No. 602-9

I. M. Regulated, Owner
Regulated Small Water System
100 Harms Way
GAMMA, CA 96075

Dear Mr. Regulated:

The Commission has received and filed the utility's Advice Letter No. 15-W,
together with the following revised Cal. P.U.C. Tariff Sheets, that were submitted
for processing:

<u>Cal. P.U.C.</u> <u>Sheet No.</u>	<u>Title of Sheet</u>
140-W	Schedule No. 1A, Annual Metered Service
141-W	Schedule No. 2RA, Annual Residential Flat Rate Service
142-W	Table of Contents

We are returning a copy of the approved advice letter and tariff sheets, with the
filing and effective dates shown, for the utility's files.

Very truly yours,

R. D. WORKER
Program Technician III
Water Advisory Branch

Enclosures

cc: Sam Pler, Consultant

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 7, 2000

File No. 602-19

Dan Sharpe
Director, Rates and Revenues
Regulated Water Company
123 Main St
P O Box 100
DELTA, CA 99000-0100

Dear Mr. Sharpe:

The Commission passed Resolution No. W-4XXX on August 3, 2000, which authorized the tariff revisions proposed in the utility's Advice Letter No. 100. We have thus processed the advice letter and the following revised Cal. P.U.C. Tariff Sheets, applicable to its Los Angeles County Division, that were submitted:

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
1525-W, 1526-W	Schedule No. 1, General Metered Service
1527-W, 1528-W	Schedule No. 3L, Limited Irrigation Service
1529-W, 1530-W	Schedule No. 6, Reclaimed Water Metered Service
1531-W, 1532-W	Table of Contents

Enclosed is a copy of the approved resolution, advice letter, and tariff sheets with the filing and effective dates shown, for the utility's files.

Very truly yours,

R. D. WORKER
Program Technician III
Water Advisory Branch

Enclosures